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Government of Bombay
Finance Department

Digest of Important Government Resolutions, Circulars and Orders, etc.

Issued during 1947-48

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BOMBAY
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PREFACE

THIS is a digest of important Government Resolutions, Circulars, Orders, etc., issued by the Finance Department during the financial year 1947-48. It has been prepared generally on the lines indicated in the Political and Services Department Circulars No. S. 119, dated 31st May and 10th September 1949, read with that Department endorsements No. S. 119/47248-E, dated 3rd January 1950 and 13th November 1951.

2. It is requested that omissions, inaccuracies and suggestions towards making the annual digest a more useful publication may be brought to the notice of the Finance Department.

V. T. DEHEJIA,
Secretary to the Government of Bombay,
Finance Department.

Finance Department,
Secretariat (Annexe), Fort,
Bombay, 23rd November, 1954.

DIGEST OF IMPORTANT GOVERNMENT RESOLUTIONS, CIRCULARS, ORDERS, ETC., ISSUED DURING 1947-48.

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1. APPROPRIATION REPORT.

G. C. No. P. 259-G, dated 14th April 1947.

Finance and Appropriation Accounts :
Reconciliation of figures in —
Prompt disposal of audit enquiries in connection with —

It is essential that all the reconciliation work should be completed punctually and expeditiously and all the audit enquiries regarding the Finance and appropriation Accounts attended to and dealt with promptly, in order to facilitate timely compilation and publication of those Accounts and the Audit Reports thereon. All Heads of Offices are therefore requested to see that the instructions contained in the G. C., Finance Department, No. P. 259-G, dated 14th February 1940 and the *Government Resolution*, Finance Department, No. 2513/33, dated 29th August 1941 are again brought to the notice of the staff under them and that they are observed very strictly in future.

G. C. No. P. 259-G, dated 5th December 1947.

Appropriation Accounts for 1944-45 :
Recommendations made by the *Public Accounts* Committee on the —

In sub-paragraphs (1) and (3) of paragraph 4 of their Report on the Appropriation Accounts of the Government of Bombay for 1944-45 and the Audit Report thereon, the Public Accounts Committee have made the following general recommendations in respect of non-utilization of budget grants :—

"(1) The original grant should be strictly related to capacity to spend. Capacity to spend is conditioned by various factors such as labour, technical staff, material, transport, etc. The relevant among these factors should invariably be taken into account in fixing the original grant."

"(3) Steps should also be taken for minimising the delay between the passing of the budget and communication to disbursing authorities of the budget provisions with which they are concerned."

With regard to the first of the above two recommendations, the attention of all the Administrative Departments and Controlling Officers is invited to *Chapters III to VI* of the Bombay Budget Manual wherein detailed instructions for preparing the departmental estimates, both of receipts and of expenditure, and the procedure to be followed and the factors to be taken into account while proposing estimates for expenditure on existing as well as 'new' services, have been prescribed, and they are requested to see that these instructions are scrupulously observed.

2. As regards the other recommendation of the Public Accounts Committee, attention is invited to the instructions regarding the distribution of the budget grants and their communication to the controlling and disbursing officers laid down in paragraphs 92-94 of the Bombay Budget

Manual. With a view to enable the officers concerned to push on with new schemes and existing works early in the financial year, it is imperative that the budget grants should be communicated to them at the commencement of the year. The Administrative Departments and Controlling Officers are, therefore, requested to take steps to distribute and communicate the budget grants to the controlling and disbursing officers respectively, immediately after the budget is passed by the Legislative Assembly and complete the work of detailed distribution of allotments as expeditiously as possible in the beginning of April each year.

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6. DEBT INCLUDING PUBLIC DEBT OF THE STATE, PUBLIC AND OTHER SECRETARIAT, INVESTMENT OF DEPOSITS.

G. R. No. 5634/33, dated 17th January 1948.

Special Development Fund:

Principles governing the use of —

In supersession of the orders issued in Government Resolution No. 5634/33, dated 19th October 1942 regarding principles governing the use of the Special Development Fund, Government has decided that with effect from 1947-48, the Special Development Fund in its previous form should cease to exist and that it should be reconstituted with the object of financing a programme of special uplift of the backward classes. A sum of Rs. 100 lakhs in addition to the unutilised balance out of the Rs. 25 lakhs previously allotted for such programme should accordingly be earmarked in the Special Development Fund as at the end of 1946-47 for a 5-year backward class programme. Necessary steps to transfer the balance in excess of the amount specified above, to the Post-War Reconstruction and Development Fund will be taken separately by asking for a supplementary demand from the Legislative Assembly in the current year.

2. The Special Development Fund programme in its new form will form a part of the general Post-War Reconstruction and Development Programme and expenditure on Special Development Schemes will be initially recorded under the appropriate sub-head under the minor head "Post-War Reconstruction and Development Programme" under each major head and finally debited to the minor head "Special Development Programme" under that major head by Deduct entry under the minor head "Post-War Reconstruction and Development Programme". The following revised principles are accordingly laid down for incurring expenditure from the new Special Development Fund :—

(i) The Fund should be utilised for schemes, including experimental scheme, for the uplift of Backward Classes which will form a part of the programme already approved by Government;

(ii) Expenditure from the Fund should either be non-recurrent or spread over a limited period not extending ordinarily beyond five years as far as possible. If however any such schemes are required to be continued beyond a period of five years, specific orders of Government should be obtained.

Note.—The limit of five years applies to individual schemes but not to general categories of expenditure.

(iii) Schemes involving permanent recurring expenditure may not be financed from the Fund.

Proviso.—Schemes of an experimental nature which if successful may involve permanent recurring expenditure may be financed from the Fund for the experimental period but if successful must be put on the normal recurring budget when the experimental period is over.

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7. DELEGATION OF FINANCIAL POWERS.

G. R. No. 6543/33, dated 19th November 1947.

Daily Allowance :
Halts exceeding ten days.

The powers to grant exemption from rule 449 of the Bombay Civil Services Rules subject to the limit of 30 day's halt in each individual case, have been delegated to the Commissioner and the Deputy Commissioner of Sales Tax, Bombay State.

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10. FINANCES OF THE STATE—ANY OTHER MATTER AFFECTING THE —

G. R. No. 6571/33, dated 30th September 1947.

Appointment of Provincial National Savings Committee and Bombay City and Suburbs National Savings Committee.

The Small Savings Scheme in this Province is at present operated by the Provincial National Savings Officer with the help of the Provincial Defence Loans Committee in Bombay City and of Local Small Savings Committees composed of non-officials at various District Headquarters towns and other towns with a population of over 20,000 and smaller market towns. With a view to bringing all operations of the Small Savings Scheme movement under closer review from the Provincial headquarters and also with a view to associating non-officials more directly with the attempt to inculcate habits of thrift amongst the poorer and middle classes, the Government of Bombay is pleased to appoint (i) a Provincial National Savings Committee and (ii) a Bombay City and Suburbs National Savings Committee.

2. The Provincial National Savings Committee is to consist of twenty-five members nominated by Government, and not more than four members co-opted by the other members. The nominated members should normally include (i) at least one member for each district, (ii) a representative of the Finance Department of the Government of Bombay and (iii) the Provincial National Savings Officer, who will also be Secretary of the Committee.

3. Government accordingly nominated persons to the Provincial National Savings Committee.

4. The Provincial National Savings Committee should meet once a quarter.

5. The Bombay City and Suburbs National Savings Committee is to consist of nine members (nominated by Government) including the Provincial National Savings Officer who is also to be Secretary of the Committee and of not more than two-members co-opted by the other members of the Committee.

Government nominated eight persons to this Committee and decided that the Committee should meet once a month.

In view of Government's decision to appoint a separate National Savings Committee for Bombay City and Suburbs, the Provincial Defence Loans Committee ceased to function in connection with the Small Savings Scheme.

6. Both the Committee should have—

(1) general function of review and assistance in respect of all matters pertaining to the Small Savings Scheme ; and

(2) power to appoint Authorised Agents.

Authorised Agents in Districts will be appointed by three small panels, one for each Revenue Division, nominated by the Provincial National Savings Committee. Authorised Agents in Bombay City and Suburbs will be appointed by a panel of two members nominated by the Bombay City and Suburbs National Savings Committee.

7. The Provincial National Savings Officer, Bombay will continue to be the executive head of the Scheme in this Province.

8. Members who reside outside Bombay should, for attending meetings of the Committees, draw travelling allowance in accordance with the scale prescribed in rule 1(1)(b), Section I, Appendix XLII-A to the Bombay Civil Services Rules Manual Vol. II. Whenever members actually travel first class by rail, they will be eligible for one first class *plus* one-half (temporary raised to three-fourths) second class fare.

9. The expenditure in connection with the holding of the meetings of these Committees should be met from the grants placed at the disposal of the Provincial National Savings Officer. The P. N. S. O. should approach Government for increase in the grants concerned if eventually he finds that the grants placed at his disposal are insufficient.

G. R. No. 1347/33, dated 11th July 1947.

Government Money :

Loss of —

Responsibility of Government servants.

Recommendation in the Report of the Public Accounts Committee on Paragraph 22 of the Audit Report on the Appropriation Accounts of the Government of Bombay for the year 1944-45: —

"We considered the cases of financial irregularities, losses of revenue, remissions, etc., mentioned in paragraph 22 of the Report. We understand

that orders were issued in October 1939 directing that cases which involved loss of Government money or revenue should be thoroughly investigated in order that it might be possible to fix responsibility and recoup the loss, and that Government servants were at the same time warned that, wherever it was found that loss of Government money or revenue had been occasioned by the negligence of a Government servant, he would be liable to make it good. We recommend that these orders be brought again to the notice of Government servants."

Government directed that the following orders issued in the Government Resolution, Finance Department, No. 1347/33, dated the 7th October 1939, should be enforced very strictly.

Government is pleased to direct that cases involving loss of Government money or revenue should be thoroughly investigated in order that it may be possible to decide whether the loss should be recouped from the Government servants responsible for it.

2. All Government servants should be warned that wherever it is found that loss of Government money or revenue was occasioned by the negligence of a Government servant he will be liable to make it good.

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13. GENERAL ACCOUNT QUESTIONS AND TREASURY PROCEDURE.

G. R. No. 1468, dated 14th June 1947.

Provincial Schemes connected with War recorded under "85-A, Capital Outlay on Provincial Schemes connected with the War, 1939":

Charging of interest on the capital outlay advanced for,—

Government decided to continue one per cent. per annum as the rate of interest for the year 1947-48 on the capital outlay on the various schemes (except the "Grow More Food Scheme" in which case advances are given free of interest) included under "85-A, Capital Outlay on Provincial Schemes of State Trading".

G. R. No. 6950/33, dated 18th March 1948.

Advance:

Grant of — to Provincial Government servants from West Pakistan employed under the Government of Bombay.

Government directed that interest-free advances equal to three months' pay or Rs. 2,500, whichever is less, might be granted to the Provincial Government servants who came as refugees from areas in West Pakistan and subsequently employed under the Government of Bombay, to enable them to provide themselves with personal equipment essential for their duties as Government servants. The advances were interest-free and recoverable in not more than 36 monthly instalments beginning with the

month following that in which the advance was drawn. Advances to temporary Government servants could be granted against a personal security of some permanent Government servant.

G. R. No. 6488/33, dated 3rd April 1947.

Income Tax (United Kingdom) :
Liability to — of officers intending to retire and take up permanent residence there.

Copies of the Memorandum* from the Government of India, Finance Department (Revenue Divsion), C. No. 26 (28) I.T./46, dated 13th February 1947, should be forwarded to the officers and Departments concerned for information and guidance in continuation of Government Endorsement, Finance Department, No. 9039-D of 7th May 1938.

G. E., F. D., No. 9039-D, dated 7th May 1938.

[Below copy of the Press Communique received with the endorsement No. C. No. 134-I-T/38, dated 6th April 1938, from the Government of India Finance Department, (Central Revenues).] Forwarded to all Departments of the Secretariat and Heads of offices, etc.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT (CENTRAL REVENUES).

New Delhi, the 6th April 1938.

PRESS COMMUNIQUE.

The following revised procedure has been prescribed by the Board of Inland Revenue in the United Kingdom for the assessment to British Income-tax of the emoluments of officers going to Great Britain or Northern Ireland on leave from India commencing with the Income-tax year 1936-37 :

Officers going to Great Britain or Northern Ireland on leave, who maintain a residence there or, if they do not maintain a residence, spend six months or more of the Income-Tax year in those countries, and officers going to either of those countries with the intention of taking up residence there are liable to assessment to British Income tax as persons residing in the United Kingdom.

It has been ruled that the India Office or the High Commissioner for India, as the case may be, is in law responsible for assessing and collecting tax on all payments made by either in respect of the year of charge, such payments including leave pay, overseas pay, remittances and allotments of pay and also arrears of pay issued in respect of that year, but not arrears of pay, etc., relating to previous years.

Advances drawn in the United Kingdom in respect of pay due after the date of embarkation on return to India will continue to be exempt from liability to British Income Tax.

In the case of officers taking up residence in Great Britain or Northern Ireland on retirement, or while on leave pending retirement, no liability to tax will arise in respect of payments made by the India Office or the

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*Not printed in the Digest.

High Commissioner for India prior to the date of arrival for the purpose of taking up residence in cases where a home has not previously been maintained in either of these countries.

As regards Provident Fund balances, no liability to United Kingdom tax will be claimed :—

(*a*) where the balance is paid in rupees in India, whether the proceeds are remitted to the United Kingdom or not, or

*(*b*) where the balance is paid in sterling, provided that, in the case where the sterling payment is made in the United Kingdom, it is effected through the Reserve Bank or the Imperial Bank of India or by means of a sterling bill sent by the Account Officer in India through an Exchange Bank in the United Kingdom.

The following notes are intended as a guide to the basis of assessment of remittances to the United Kingdom out of pay arising in India :—

(1) Officers visiting the United Kingdom while on leave or privilege leave or leave on average pay and becoming liable as residents in the United Kingdom for the year of visit—

(*a*) Where pay is issued in India in respect of the whole period of the visit (e.g. in the case of an officer visiting the United Kingdom while on privilege leave or leave on average pay on pay drawn in India), the liability for the year of visit is normally on the basis of the remittances made to or received in the United Kingdom in the preceding year.

Where, however, remittances out of Indian pay are first made to or received in the United Kingdom in the year of visit, or in the preceding year, other than on 6th April in that year, the liability for the year of visit is on the basis of the actual remittances of the year of visit.

(*b*) Where no pay is issued in India in respect of the Income-tax year in which the officer is chargeable as a resident or where pay is so issued in respect of a period commencing after 6th April in the said year, no liability will arise in respect of remittances out of pay earned in India prior to the year of visit.

(*c*) Where pay is issued in India in respect of part only of the Income-tax year of visit, i.e. where the full pay due becomes a charge on the funds of the India Office or the High Commissioner for India from 7th April or some later date in that year, the liability for that year in respect of remittances is on the remittances of the year of visit.

In none of the cases falling within (1) will be combined totals of the assessments on leave salary allotments (or overseas pay) and remittances out of pay arising in India exceed the full pay for the year of visit.

(2) Officers going to the United Kingdom on retirement or on leave pending retirement with the intention of taking up residence there, or for transfer to the Home establishment—

(*a*) Where the date of arrival in the United Kingdom is not within the period for which pay has been issued in India there will be no liability in respect of remittances.

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* As amended by G. of I. Corrigendum dated 3rd August 1938 : *vide* G.E., F.D., No. 9039/17866-D, dated 9th September 1938.

(*b*) Where the date of arrival in the United Kingdom is within the period for which pay has been issued in India and the date up to which such pay has been calculated is within the year of arrival, liability will arise in respect of all remittances out of pay made to the United Kingdom in the year of arrival whether they reach the United Kingdom before or after the date of arrival. The liability will be restricted, however, so as not to charge a sum greater than the proportion appropriate to the period from the date of arrival to the end of the year of arrival, of the pay arising in India in that year.

(*c*) Where the date of arrival in the United Kingdom is within the period for which pay has been issued in India but the date up to which such pay has been calculated is in the year following the year of arrival, the liability for the year of arrival, if there have been remittances out of pay in previous years, will normally be on the basis of the remittances reaching the United Kingdom in the year preceding the year of arrival, unless such remittances are less than the remittances reaching the United Kingdom in the year of arrival (whether before or after arrival) when the latter will form the basis of assessment. Where in such a case remittances have not been made in previous years, the assessment will in any case be based on the remittances of the year of arrival (whether reaching the United Kingdom before or after arrival). Moreover whether the "preceding" or the "current" year basis applies, the assessment will if necessary be restricted to the proportion appropriate to the period from the date of arrival to the end of the year of arrival of the full pay arising in India for the basic year. The liability for the year of assessment following the year of arrival is on the basis of the whole of the remittances arriving in the United Kingdom in the year of assessment but the assessment will be restricted if necessary to the full amount of pay arising in India in that year.

United Kingdom Income-tax.

Visitors from the Dominions and Foreign Countries.

The following is an outline of the position of visitors to the United Kingdom who are not domiciled there and who may incur liability to United Kingdom Income-tax* :—

(1) *Liability to tax on income arising in the United Kingdom.*—All income arising from sources within the United Kingdom (with the

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* *Note 1.*—A special arrangement with regard to Income-tax exists between the United Kingdom and the Irish Free State and this Memorandum, so far it deals with the extent of liability to United Kingdom Income-tax, must not be taken as applicable to persons resident or income arising in the Irish Free State.

exception of interest from certain* Government securities such as the 5 per cent. War Loan Stock, 1929-47, to which special privileges are attached) is chargeable to United Kingdom Income-tax.

(2) *Liability to tax on income arising abroad.*—No part of a visitor's income from sources outside the United Kingdom is subject to United Kingdom Income Tax unless he is chargeable as a person residing in the United Kingdom. The circumstances in which he may become so chargeable and the extent of his liability are indicated below.

(3) *What constitutes "residence".*—

(a) A visitor who maintains no place of abode in the United Kingdom and whose visits are not habitual but occasional only is not regarded as resident in the United Kingdom unless he has been in the United Kingdom for a period or periods equal in the whole to six months in the Income Tax year (beginning 6th April).

(b) If, however, he maintains a place of abode in the United Kingdom, available for his use, he is regarded as resident for any year in which he pays a visit, of whatever length, to the United Kingdom.

(c) Moreover, even though he does not maintain a place of abode in the United Kingdom available for his use, and does not stay for six months in any one year he is regarded as becoming resident if he visits the United Kingdom year after year (so that his visits become in effect part of his habit of life) and the annual visits are for a substantial period or periods of time. The question of residence in any particular case can only be determined by reference to the facts of the case. But it can be said that the Board of Inland Revenue would normally regard and average annual period or periods amounting to three months as "substantial" and the visits as having become "habitual" after 4 years. And, where the visitors arrangements indicated from the start that regular visits for substantial periods were to be made, he would be regarded as resident in and from the first year.

(4) *Extent of liability to tax on income arising abroad.*—A visitor who thus becomes chargeable as a resident is liable not on the whole of his income arising abroad but only on so much of that income as is received in or remitted to the United Kingdom.

In order to assist intending visitors in ascertaining their position the Board of Inland Revenue will be glad to express their opinion on the facts of any case being submitted to them by letter addressed to the Secretary, Board of Inland Revenue, Somerset House, London, W.C. 2. It should be added that a visitor who is charged to Income Tax in respect of his income arising abroad has the right of appeal to the Appeal Commissioners and, on a point of law, to the Courts, both on the question of residence and on the question of the amount of the Income Tax liability.

* *Note 2.*—The British Government securities to the interest on which the special privileges referred to are attached now include 3½ per cent. war loan (formed 5 per cent. war loan, 1929-47), 4 per cent. funding Loan and 4 per cent. Victory Bonds.

G. R. No. 6488/33, dated 12th April 1947.

Income-tax (United Kingdom):

Refund at the expense of Indian revenues to members of the Indian Services on leave in the United Kingdom of the — to which they became liable as a result of their detention in that country beyond six months through no fault of their own.

Extract paragraph 1 of letter from the Government of India, Finance Department, No. F. 6(2)-E.II/47, dated 19th February 1947 :—

"With reference to the Home Department letter No. 169/45-Ests.,* dated the 12th January 1946, regarding refund of the United Kingdom Income-tax, I am directed to state that the High Commissioner for India has made the following suggestions in regard to the refund of United Kingdom Income-tax to officers on leave in the United Kingdom :—

(i) The refund of the additional tax should only be made after verification by the High Commissioner for India of the United Kingdom tax paid by the officer, and for this purpose a list of officers entitled to the concession should be forwarded to him. Each case will then be examined by the High Commissioner and the appropriate accounts officer informed of the amount of the United Kingdom Income-tax actually suffered. It is not desirable to base refunds on statements of deductions that may be in the possession of the officers concerned as in some cases adjustments are made by the Departmental Claims Branch of the Inland Revenue Department after the issue of the statements. Further, it is also necessary to exclude those officers who would in any case be liable for United Kingdom Income-tax, whatever the length of their stay in the United Kingdom by reason of the fact that a residence in the United Kingdom might have been maintained during their absence in India.

(ii) The amount to be refunded to the officers should be reduced by the amount of post-war credits which might become due to the officers as a result of their becoming liable to United Kingdom tax.

The Government of India agree with the above suggestions and I am to request that, if the provincial Government see no objection, necessary information in regard to officers serving under them who are entitled to the concession may be forwarded to the High Commissioner for India."

RESOLUTION.—Copies of paragraph 1 of the letter from the Government of India should be forwarded to the officers and departments concerned for information and guidance with reference to Government Resolutions No. 6488/33, dated 21st February 1946 and 22nd July 1946.

2. Officers entitled to a refund of the United Kingdom Income-tax should furnish necessary information to this Department through their Heads of Departments for transmission to the High Commissioner for India.

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* Printed in the preamble of Government Resolution, Finance Department, No. 6488/33, dated 21st February 1946.

G. R. No. 6488/33, dated 28th July 1947.

Indian and British Income-tax :
Compensation and resettlement grant—
Liability to —.

Letter from the Government of India, Home Department, No. 45/14/47-Ests., dated 12th July 1947 :—

"I am directed to say that the Government of India have had under their consideration the question whether the compensation or resettlement grant payable in accordance with His Excellency the Governor General's announcement, dated the 30th April 1947, is liable to Indian or British Income-tax.

"2. It has now been held that since the compensation or resettlement grant in question is to be paid 'solely as compensation for loss of employment and not by way of remuneration for past service' within the meaning of explanation 2 to section 7(*1*) of the Indian Income-tax Act, 1922, it is not liable to Indian Income-tax.

"3. The Board of Inland Revenue, United Kingdom, have now stated that the compensation granted to members of the Indian Services on premature termination of their services in India will not be liable to United Kingdom Income-tax.

"4. I am to request that the officers concerned may be informed accordingly."

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to the officers and Departments concerned for information and guidance.

G. R. No. 251/33, dated 9th February 1948.

Persons leaving for Pakistan :
Assessment under section 24-A of Income-tax Act : Certificate for payment of taxes : Production of —

In continuation of the orders issued in Government Resolution No. 251/33, dated 21st August 1945, copies of letter from the Government of India should be forwarded to all Treasury Officers and Heads of Offices for information and guidance. The Heads of Offices should be requested to communicate the orders to all disbursing officers under them. The latter should be requested to report to the nearest Income-tax Officer the probable amount payable by him to any person intending to migrate to Pakistan and to defer payment of the amount due till the party concerned produced a certificate from the Income-tax Officer to the effect that all income-tax dues have been paid.

15. INCORPORATION, REGULATION AND WINDING UP OF CORPORATIONS SPECIFIED IN LIST I.

G. R. No. 6331/33, dated 4th July 1947.

Inspectors :

Appointment of — to investigate the affairs of the Sholapur Spinning and Weaving Company Limited.

The Governor of Bombay is hereby pleased to appoint (i) Messrs. Rustomji N. Mehta and Company, Registered Accountants and (ii) Mr. H. L. Dawlatjada as Inspectors for the purpose of investigating the affairs of the Sholapur Spinning and Weaving Company Ltd., on the following terms :—

(1) Messrs. Rustomji N. Mehta and Company :

Fee of Rs. 40 per hour for Principals, Rs. 10 per hour for qualified (Registered Accountant) Assistants and Rs. 3-8-0 per hour for Junior Clerks.

(2) Mr. Dawlatjada : Fee of Rs. 40 per hour.

Office time spent in travelling as also all travelling and out of pocket expenses will be chargeable. If persons who are or have been officers of the Company are examined, the Inspectors will be permitted to pay and charge the actual travelling and other out of pocket expenses which such persons may have to incur.

2. The Inspectors should be requested to prepare a joint report and submit five copies thereof to Government.

G. R. No. 6829/33, dated 19th August 1947.

Inspectors :

Appointment of — to investigate the affairs of the Supreme General Films Exchange Limited.

The Governor of Bombay is hereby pleased to appoint Messrs. Rustomji N. Mehta and Company, Registered Accountants as Inspectors for the purpose of investigating the affairs of the Supreme General Film Exchange Limited, on the following terms:—

Fee of Rs. 15 per hour for Principal and Rs. 7-8-0 per hour for Senior Assistants plus all actual travelling, hotel and out of pocket expenses (including travelling by Air Service if necessary).

If persons who are or have been officers of the Company are examined, the Inspectors will be permitted to pay and charge the actual travelling and other out of pocket expenses which such persons may have to incur.

2. The Inspectors should be requested to prepare their report and submit five copies thereof to Government.

19. PAY, ALLOWANCES, PENSIONS, OTHER FINANCIAL CONDITIONS OF SERVICE AND CADRE STRENGTHS, SUBJECT TO ITEMS 2 AND 3 IN THE LIST OF THE POLITICAL AND SERVICES DEPARTMENT.

ALLOWANCES.

G. R. No. 174(B), dated 30th July 1947.

Cost of Living (War) Allowance : Grant of—

It has been decided that the rates of the cost of living (war) allowance, as they existed on 30th June 1947, should continue to be in force up to 15th August 1947. These orders apply to officers under the rule-making control of the Secretary of States as well as to those under the rule-making control of the Provincial Government.

G. R. No. 174, dated 23rd August 1947.

Dearness and Cost of Living (War) Allowances : Grant of —

In partial modification of the existing orders, dearness and cost of living (war) allowances should be granted, with effect from the 16th August 1947 and until further orders, at the rates indicated below.

(2) All whole time Government servants (other than unmarried gazetted officers) under the rule making control of the Government of Bombay and borne on the regular establishment or paid from contingencies, will, irrespective of the area in which they are stationed, draw dearness or cost of living (war) allowance at the rates operative on the 15th August 1947, or on the scales shown below, *whichever is greater* :—

Pay.	Dearness Allowance.
Up to Rs. 50	Rs. 25 p.m.
Rs. 51 to 100	Rs. 35 p.m.
Rs. 101 to 150	Rs. 40 p.m.
Rs. 151 to 200	Rs. 45 p.m.
Rs. 201 to 250	Rs. 50 p.m.
Rs. 251 to 300	Rs. 60 p.m.
Rs. 301 to 500	Rs. 70 p.m.
Rs. 501 to 750	Rs. 85 p.m.
Rs. 751 to 1,000	Rs. 100 p.m.

Persons drawing a pay of Rs. 1,001 to Rs. 1,067 per mensem will draw such allowance as will make their pay *plus* allowance equal to Rs. 1,175 per mensem. Persons drawing a pay of Rs. 1,068 to Rs. 2,000 per mensem will draw the allowance at 10 % of their pay subject to maximum of Rs. 150 per mensem, with marginal adjustments for pays from Rs. 2,001 to Rs. 2,149 per mensem inclusive.

3. Whole-time unmarried gazetted officers may draw dearness allowance at the following rates :—

Pay.	Dearness Allowance.
Up to Rs. 1,000	10 % of pay subject to a minimum of Rs. 40 and a maximum of Rs. 75 per mensem.
Rs. 1,001 to 1,075	... The amount by which the pay falls short of Rs. 1,075 per mensem.

4. The rates of allowance now sanctioned are subject to alteration at the time of introduction of revised pay-scale and will be taken into account in computing the amounts, if any, due to individual Government servants to whom those pay-scales may be retrospectively applied.

5. These orders do not apply to officers who were formerly subject to the rule making control of the Secretary of State. In regard to these officers, orders are being issued separately.

G. R. No. 174(B), dated 27th November 1947.

War Allowance now termed as Cost of Living Allowance : Grant of —

The following decisions in regard to the regulation of War (Cost of Living) Allowance of Government servants subject to the rule-making control of the Government of Bombay are published for information and guidance :—

(1) *Admissibility and calculation of the amount of the allowance during leave.*—The admissibility of and the amount of the allowance during leave ex-India will be determined on the basis of the leave salary actually drawn (as clarified in paragraphs 6 and 8 below), irrespective of whether or not the officer was in receipt of the allowance while on duty immediately before proceeding on leave.

(2) *Admissibility of the allowance to officers on leave on the 1st January 1946.*—In the case of the officers who were on leave ex-India on 1st January 1946, the allowance will be granted in accordance with the orders in Government Resolution, Finance Department, No. 174(B), dated 21st December 1946, (as clarified under these orders) for the period of leave from the 1st January 1946.

(3) *Payment of the allowance in India to officer who proceeded on leave out of India and resumed duty prior to or just after the issue of the orders of 21st December 1946.*—In the case of officers who had proceeded on leave ex-India [on or after the 1st January 1946, or as in paragraph (2) above] and had resumed duty prior to the issue of the orders in Government Resolution, Finance Department, No. 174(B), dated 21st December 1946, the payment of the allowance may be authorised in India without the specific sanction of Government as required under Bombay Civil Services Rule 761(4). The orders in this paragraph will also apply to officers who resumed duty on or after the 21st December

1946, if the payment of the allowance during leave ex-India has not so far been authorised to be made by the High Commissioner for India. The rate of exchange will be the rate prevailing on the date of payment.

(4) *Admissibility of the allowance to officers spending a portion of leave preparatory to retirement in India.*—In the case of officers who, while proceeding on leave ex-India preparatory to retirement, spend a portion of that leave in India, the allowance will be admissible for the period of leave spent in India not exceeding the first four months, of such leave, which is the maximum period for the grant of the allowance during leave in India preparatory to retirement [*vide* Government Resolution, Finance Department, No. 174(B), dated 14th March 1947].

(5) *Incidence of the allowance.*—The allowance will be charged to the head "Allowances, Honoraria, etc.", under the relevant Major head if the payment is made in India. If the payment is made in England, the head will be "Leave Salaries and Deputation pay" under "Charges in England.".

The allowance will not be allocated, like leave salary, between various Governments, but will be treated as falling under item (3) of the preamable to Section B-II of Appendix 3 to Account Code, Volume I.

(6) *Inclusion of the allowance in leave salary for purposes of maxima and minima under Bombay Civil Services Rules* 759 *and* 760.—The allowance shall not form part of 'Leave salary' for purposes of determining the maxima and minima laid down in Bombay Civil Services Rules 759 and 760. Thus, a married officer drawing leave salary up to £ 112-10-0 per mensem will draw the cost of living allowance at the prescribed rates (viz. at 17½ per cent. of leave salary subject to a minimum of Rs. 50 per mensem). Officers whose leave salary exceeds £ 112-10-0 per mensem but is less than £ 150-0-0 per mensem will draw the allowance at £ 19-15-0 per mensem with marginal adjustments for those drawing up to £ 169-15-0 per mensem. In cases where the minima in Bombay Civil Services Rule 760 operate, the allowance shall be calculated on the minima laid down therein reduced by that portion of the leave salary, on which the allowance will not be admissible under paragraph 8 below.

(7) *Admissibility of the allowance during joining time on return from leave out of India.*—A reference is invited to paragraph (3) of Government Resolution, Finance Department, No. 174(B), dated 21st December 1946, which contains the orders relating to the allowance admissible during joining time under Bombay Civil Services Rule 79(C). It has since been decided, in supersession of these orders, that during joining time under Bombay Civil Services Rule 79(C) the allowance will be calculated on the joining time allowance admissible in the same manner as on leave salary.

(8) *Definition of 'Pay' for purposes of calculation of cost of living allowance during leave ex-India.*—In the case of leave ex-India, the allowance will be admitted on the basis of 'leave salary' which for this purpose will comprise only those elements of 'pay' which have been specified in paragraph (i) of Government Resolution, Finance Department, No. 174(B), dated 13th July 1945, for purposes of grant of cost of living allowance.

For example, the portion of leave salary which represents the element of sterling overseas pay, on the categories of 'pay' (other than basic, special, personal, temporary additional and temporary increase in pay and additional pay under Bombay Civil Services Rule 609), which are excluded for the purpose of the allowance, shall not be taken into account for the purpose of calculating the allowance admissible during leave ex-India.

These orders will have effect from 1st January 1946, but past cases, in which payments might have already been made otherwise than in accordance with these orders, need not be reopened.

Compensatory War Allowance.

G. R. No. 22/33, dated 12th May 1947.

Compensatory War Allowance :
Grant of — to certain clerks on mofussil scales of pay serving in Bombay.

Orders issued in Government Resolutions No. 22/33, dated 19th August 1944 and 15th October 1946, should remain in force until further orders with the following modification :—

Clerks on pay (exclusive of interim relief) of less than Rs. 40 per mensem should be granted with effect from 1st August 1945, a Compensatory War Allowance of such sum as together with the compensatory local allowance admissible to them under Appendix XVII to the Bombay Civil Services Rules, Volume II, will equal Rs. 25 per mensem.

2. In passing these orders Government has taken into consideration the complaint that, in Bombay City and the Island of Salsette, clerks on less than Rs. 40 in the mofussil scales of pay *plus* Compensatory Local Allowance (under Appendix XVII to the Bombay Civil Services Rules, Volume II) are, as regards interim relief and interim bonus, at a disadvantage in comparison with those on the City scales of pay.

Dearness Allowance.

G. R. No. 174, dated 30th September 1947.

Dearness Allowance :
Grant of —

Government is pleased to direct that, in partial modification of the orders issued in Government Resolution, Finance Department, No. 174, dated 23rd August 1947, Provincial Service Officers officiating in All-India Service

Posts on and after 15th August 1947, should draw dearness allowance at the rates prescribed in Government Resolution, Finance Department, No. 174(B), dated 23rd August 1947, the relevant extract from which is quoted below :—

A. Married gazetted officers—

Pay.		Dearness Allowance.
Rs. 251-300	...	Rs. 60 per mensem.
Rs. 301-500	...	Rs. 70 per mensem.
Rs. 501-750	...	Rs. 85 per mensem.
Rs. 751-1,000	...	Rs. 100 per mensem.
Rs. 1,001-2,000	...	10 per cent. of pay subject to a maximum of Rs. 150 per mensem.
Rs. 2,001-2,150	...	The amount by which the pay falls short of Rs. 2,150.

B. Unmarried gazetted officers—

Pay.		Dearness Allowance.
Up to Rs. 1,000	...	10 per cent. of pay subject to a minimum of Rs. 40 and a maximum of Rs. 75 per mensem.
Rs. 1,001-1,075	...	The amount by which the pay falls short of Rs. 1,075."

2. These orders should be applied from 1st October 1947, i.e., with effect from pay due on 1st November 1947.

G. R. No. 174-A, dated 20th November 1947.

Dearness Allowance :

Grant of — to whole-time daily rated staff.

In modification of the orders contained in Government Resolution, No. 174-A, dated 22nd May 1946, regarding the grant of dearness allowance to whole-time daily rated staff and in continuation of the orders contained in Government Resolution, No. 174, dated 23rd August 1947, Government directed that the rates of dearness allowance specified below shall apply in the case of whole-time daily rated staff instead of those in force under the existing orders irrespective of the area in which the whole-time daily rated staff is stationed :—

Limits of wages calculated for a full month.		Maxima of limits of allowance per mensem. Rs.	Rates of allowance per diem. Rs. a. p.
Up to Rs. 50	...	25	1 0 6
Rs. 51 to 100	...	35	1 7 3
Rs. 101 to 150	...	40	1 10 6
Rs. 151 to 200	...	45	1 13 9
Rs. 201 to 250	...	50	2 1 3

The above orders should be applied with effect from 1st November 1947.

The allowance will be admissible only if the daily rates of pay do not already allow for higher cost of living arising from War conditions, i.e., the allowance will not be admissible to those whose rates of pay have been increased since the war on account of the rise in prices.

Heads of Departments are informed that the allowance may continue to be paid at this rate until further notice without specific authority each month.

Travelling Allowance.

G. R. No. 5971/33, dated 10th October 1947.

Travelling Allowance :

Journeys for purpose of leave in India during the War.
Grant of —.

In continuation of the orders issued in Government Resolution, Finance Department, No. 5971/33, dated the 14th December 1946, Government directed that the travelling allowance concession granted to Government servants taking leave for rest and recreation should be continued till 31st December 1947, and that the concession should be granted to those Government servants also whose leave commences before 31st December 1947 but ends thereafter.

G. R. No. 3339/33, dated 3rd April 1947.

Travelling Allowance :
Sanctioned to non-officials.

Government amended the Bombay Civil Services Rules Manual, Vol. II, as follows :—

Page 250 Appendix XLII-A, Section I—

Add the following at the end of item (i) of clause (1) (*b*) of rule 1 in this section as amended by correction slip No. 130, dated 8th November 1939:—

"Provided that when he actually travels first class he may draw a single fare of the first class *plus* an extra half fare of the second class."

2. The extra fare referred to in the amendment in paragraph 1 above will be three-fourths instead of half so long as the general orders in Government Resolution No. 1922/33, dated 13th July 1945 continue to be in force.

3. The above orders should take effect from the 1st December 1946.

G. C. No. 3339/33, dated 5th January 1948.

Travelling Allowance Bills.

Prompt disposal of — by non-officials.

It has been brought to the notice of Government that travelling allowance claims preferred by non-officials serving in an honorary capacity on various Boards, Committees, etc., appointed by Government are unduly delayed. All authorities dealing with travelling allowance claims

should bear in mind that delay in disposal of such claims involves hardship, and that it is particularly necessary to ensure that the travelling allowance claims of a non-official who is doing public work in an honorary capacity are settled without delay. In order that such delays may not occur, Government issued the following directions for the use of both non-officials and Government officers dealing with such claims :—

(i) The non-officials claiming travelling allowance should prefer claims for travelling allowance as soon as the meeting of the Board or Committee is over.

(ii) The Controlling Officer should see that—

(*a*) the bills are submitted in time for his countersignature ;

(*b*) the bills are forwarded to the office of the Accountant General, Bombay, with the least possible delay for payment at treasuries from which they are payable ; and

(*c*) an intimation is given to members to the effect that the bills are sent to the office of the Accountant General, Bombay.

(iii) The dates on which the meetings of Boards or Committees are held, as well as names of non-official members who are likely to attend the meeting, with their addresses, should be communicated by the Controlling Officer to the office of the Accountant General, Bombay, in advance for independent check.

2. The Controlling Officers are further requested to see, while forwarding the bills to the office of the Accountant General, Bombay, for pre-audit that there are no omissions and defects in the bills. The following points should be particularly noted :—

(i) Mode of conveyance used is specified in certificate No. 4 in the Travelling Allowance Bill Form, and vouchers in support of the expenditure on account of road journey should be furnished. In cases where vouchers are not available, certificate No. 7 should be completed.

(ii) Class of accommodation actually used in respect of each journey should be specified.

(iii) A certificate to the effect that a member has not already drawn travelling allowance for the same journey or halt made by him in another capacity should be furnished along with the bill.

(iv) The bills should be countersigned before they are forwarded to the office of Accountant General.

(v) Classification regarding the correct budget head should be inserted in the travelling allowance bill.

3. The Accountant General, Bombay, has undertaken to pass the bills as early as possible and to forward them to Treasury Officers concerned for payment, intimating, at the same time, the fact to the members who prefer the bills and also to the Controlling Officers who forward the bills for passing payment.

CASUAL LEAVE.

G. C. No. 5204/33, dated 14th April 1947.

Casual Leave :

Government servants proceeding beyond the limits of their charge on —.

Except in emergent cases, no Government servant may proceed on casual leave beyond the limits of his charge without obtaining the permission of his Controlling Officer (as specified in the Bombay Civil Services Rules). Where the Government servant is his own Controlling Officer, he should obtain the permission of the authority immediately superior to him.

G. R. No. 5204/33, dated 23rd October 1947.

Casual Leave :

Prefixing or suffixing of Sundays or Public Holidays to —.

Government Resolution, Finance Department, No. 320, dated 22nd January 1876, and various subsequent Government Resolutions, prescribe that casual leave cannot be prefixed or suffixed to public holidays. It has been represented that these orders involve hardship in so far as they imply that all public holidays immediately preceding or succeeding casual leave should be treated as part of such leave, not excluding those on which the Government servant remains at head-quarters and is available for duty if called upon to perform it. Government directed that provided a Government servant applying for casual leave certifies in such application that, on a public holiday or holidays immediately preceding or succeeding the period of casual leave asked for, he remained or intends to remain at head-quarters and was or will be available for duty if called upon to perform it, such holiday or holidays should not be treated as part of casual leave.

LEAVE.

G. E. No. 6197/33-C, dated 23rd August 1947.

Forwarded :—Copy of Government of India, Finance Department, Letter No. F. 12(2)-W. II/45, dated the 4th July 1947 for information and guidance to the Departments of the Secrtearíat, Heads of Departments, etc.

Subject.—Relaxation of Fundamental Rule 81 (*b*) (ii).

I am directed to invite a reference to paragraph 3 of this Department letter No. F. 12(2)-W.II/46, dated the 30th July 1945, in which sanction was conveyed, in relaxation of Fundamental Rule 81 (*b*) (ii), to the grant to officers governed by the ordinary leave rules in the Fundamental Rules of leave preparatory to retirement on average pay for a maximum period

of six months. This sanction was to be in force for one year after the date of the official termination of the war, i.e. up to the 31st March 1947. The Governor General in Council has now decided that, if leave preparatory to retirement was refused in the interest of the public service before 31st March, 1947, leave on average pay for six months or for the period from the date the officer concerned asked for his leave to begin and the date of his superannuation, whichever is less, may be allowed to the officer when the leave is finally availed of by him after the date of compulsory retirement under the conditions specified in Fundamental Rule 86.

G. R. No. 6197/33, dated 19th December 1947.

Enhancement of the existing limits on the accumulations of leave under the Civil Service Regulations and relaxation of Bombay Civil Services Rule 736 (b) (ii).

Additional leave allowed to Government servants subject to the Civil Service Regulations under Government Resolution, Finance Department, No. 6197/33, dated 30th October 1945, should be distinguished from the leave admissible under the normal leave rules and separately accounted for. The privilege leave availed of by them after 30th October 1945 should be adjusted in the manner indicated below :—

(i) The Privilege leave taken on the first occasion after 30th October 1945 should be debited against the normal privilege leave at credit, to the extent possible, and any excess of the privilege leave availed of should be debited to the additional credit.

(ii) The Privilege leave taken on the second occasion after 30th October 1945 should first be set off against the credit of the additional privilege leave and any excess of the privilege leave adjusted against the ordinary credit of the privilege leave.

(iii) If any balance remains in the additional credit account after adjusting the leave taken on the second occasion the remainder will lapse and cannot be carried over.

G. E. No. 6197/33-C, dated 19th December 1947.

Forwarded copies of Memorandum No. F-12 (2)-W II/45, dated the 12th October 1946, from the Government of India, Finance Department, for information and guidance to officers concerned.

The Government of India have had under consideration the question whether a separate account of the privilege leave and the earned leave admissible under Finance Department letter No. F. 12-(2)-W-II/45, dated the 30th July 1945, should be maintained distinct from the account of the privilege leave and the earned leave admissible under the normal leave rules. It has been decided with the concurrence of the Auditor General that the additional leave allowed under the Finance Department letter cited above should be distinguished from the leave admissible under the normal leave rules and separately accounted for. The privilege leave or earned leave availed of after 30th July 1945 should be adjusted in the manner indicated below :—

(a) *Officers subject to the C.S.R.*—(i) The Privilege leave taken on the first occasion after 30th July 1945 should be debited against the normal

privilege leave at credit, to the extent possible, and any excess of the privilege leave availed of should be debited to the additional credit.

(ii) The Privilege leave taken on the second occasion after 30th July 1945 should first be set off against the credit of the additional privilege leave and any excess of the privilege leave adjusted against the ordinary credit of the privilege leave.

(iii) If any balance remains in the additional credit account after adjusting the leave taken on the second occasion the remainder will lapse and cannot be carried over.

(b) *Officers subject to Revised Leave Rules, 1933.*—The earned leave taken on the first occasion after 30th July 1945 should be debited to the earned leave due under the normal rules and any balance only should be debited against the additional credit.

The earned leave taken on the second occasion should however be debited to the additional credit to the extent possible and any excess against the normal credit. The balance additional leave remaining after the second occasion will not however lapse as in the case of the privilege leave but will be available to the officer on the next or any subsequent occasion till it is exhausted under the procedure indicated in the second sentence of this sub-paragraph.

PAY.

G. R. No. 5684/33, dated 6th October 1947.

Temporary increase in pay: Grant of —.

The temporary increases in pay sanctioned in Government Resolution, Finance Department, No. 5684/33, dated 18th January 1943 and last continued under Government Resolution, Finance Department, No. 5684/33, dated 29th March 1947 to certain categories of staff in the Revenue and Jail Departments has been continued upto 29th February 1948 or till the introduction of revised pay-scales, whichever is earlier.

BONUS.

G. R. No. 6261/33, dated 18th March 1948.

Bonus to low-paid Government employees in foreign service.

The authority competent to transfer a Government servant who is eligible for bonus, to foreign service in India may sanction the grant of bonus by the foreign employer on the scale laid down in the Government Resolutions, Finance Department, No. 6261/33, dated 6th and 15th January 1947 and 15th July 1947 provided the requirements of these Government Resolutions are fulfilled and the foreign employer agrees to bear the expenditure on its grant.

Government directed that the expenditure incurred by the grant-in-aid institutions on the grant of bonus to Government servants in foreign service in such institutions should be admitted for the purposes of Government grant in the same ratio as prescribed for pay proper.

RETIREMENT.

G. C. No. 3162/33, dated 2nd December 1947.

Retirement.

Government servants :

Date of compulsory —

In modification of the orders issued in Government Circulars No. 3162/33, dated 10th September 1946, and 28th January 1947, Government directed that on account of the present shortage of technical and clerical staff the former policy of restricting extensions of services and re-employment within very narrow limits need not be followed rigidly in future.

Proposals for extensions of service or re-employment of pensioners may, therefore, be forwarded to Government execept where power to re-employ has already been delegated.

PENSION.

G. C. No. 3266/33, dated 28th June 1947.

Pension :

Prompt disposal of — applications.

In Government Circular, Finance Department, No. 3266/33, dated 14th February 1947, Government has directed that the instructions in Government Resolution, Finance Department, No. 3266/33, dated 8th January 1946, should be strictly complied with and any cases of dilatoriness in the disposal of pension cases would be dealt with severely. Government has noticed that instances are still brought to notice in which avoidable delay in the settlement of pension claims of Government servants has occurred. Government is, therefore, pleased to direct that each Department of the Secretariat should pursue each case of delay, as and when it comes to its notice, and take appropriate action against the Government servants proved to be responsible for the delay.

G. C. No. 2472/33, dated 3rd March 1948.

Pension.

Deficiency in the amount of duty or of total service or both.

Condonation of —.

Rule 192 of Bombay Civil Services Rules empowers Government to condone for special reasons to be recorded in writing, a deficiency up to one year in the amount of duty or of total service or both. This has given rise to a number of requests for condonation of deficiency. Government has, therefore, carefully considered the general question of condonation of deficiency and is pleased to direct that deficiency not exceeding three months in the amount of duty or of total service or both may be condoned freely in cases of *proved indigence* and only sparingly and for special reasons of hardship in other cases, each case being considered on merits.

2. The criteria in paragraph 1 above should also be followed while considering cases of addition to be made to the amount of duty counting towards pension.

G. C. No. 1768/33, dated 28th June 1947.

Pensioners :

Re-employment of —.

In Government Circular, Finance Department, No. 1768/33, dated 17th December 1945, the Administrative Departments of the Secretariat and Heads of Departments were requested to supply to this Department information in the statement accompanying the Government Circular, regarding cases of re-employment, sanctioned between 1st January 1940 and 30th July 1945. In continuation of these orders the Administrative Departments of the Secretariat and Heads of Departments are requested to revise, on pay plus pension basis, all such orders issued between 1st January 1940 and 30th July 1945 sanctioning re-employment of persons on consolidated rates of pay as are related to persons who still continue to be re-employed. In cases where the amount of pension is not known the same may please be ascertained from the office of the Accountant General, Bombay.

2. It has been noticed that the information supplied by the Administrative Departments of the Secretariat and the Heads of Departments in reply to the Government Circular, Finance Department, No. 1768/33, dated 17th December 1945, is invariably incomplete in respect of the following items :—

(i) Date of termination of present sanction of re-employment.
(ii) Date from which pay on re-employment is drawn.
(iii) Number and date of Pension Payment Order.
(iv) It has not been certified whether pensions have been held in abeyance or not and also.
(v) The dates from which pensions have been held in abeyance.

They are therefore, requested to make good *all* the omissions they have made in so far as pensioners re-employed as non-gazetted officers are concerned and supply again *direct* to the Accountant General, Bombay, full information in respect of all columns in the statement accompanying the Government Circular referred to above.

3. The Administrative Departments of the Secretariat and Heads of Departments are also requested to expedite the submission of outstanding reports, if any, direct to the Accountant General, Bombay.

PENSION COMMUTATION.

G. R. No. 1007/33, dated 25th April 1947.

Pension Commutation Rules :
Table of Values.

Letter from the Government of India, Finance Department, No. F. 2(11)-Est. V/46, dated 31st March 1947:—

"In modification of the orders contained in this Department letter No. F. 2(2)-RII/46*, dated the 28th November 1945, I am directed to say that in view of the recent fall in the rate of interest on rupee borrowings of the Government of India, the Governor General in Council has decided that, with effect from the 1st March 1947 the accompanying table † of present values, which is based on a rate of interest of 3 per cent. per annum and the same mortality rates as were adopted in the case of the

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* Printed in the Preamble of Government Resolution, Finance Department, No. 1007/33, dated 10th December 1945.

† Embodied in the correction slip printed on page 25.

existing table, should be used in calculating the commutation value of pensions in the case of pensioners whose domicile at the time of first appointment to Government service was Asiatic."

Resolution.—Copies of the above letter from the Government of India and its accompaniment should be forwarded to the officers concerned for information and guidance.

2. The accompanying correction slip*. to the Bombay Civil Services Rules Manual should be issued.

Accompaniment to Government Resolution, Finance Department, No. 1007/33, dated the 25th April 1947.

Page 84, Appendix XIV-A—

Substitute with effect from 1st March 1947, the following for the existing table to the Appendix:—

Table of present values of pensions drawn by Government Servants of Asiatic Domicile.

Age next birthday.	Commutation values expressed as years of purchase.
18	22·79
19	22·60
20	22·40
21	22·20
22	21·99
23	21·79
24	21·57
25	21·35
26	21·13
27	20·90
28	20·66
29	20·42
30	20·18
31	19·93
32	19·67
33	19·41
34	19·14
35	18·86
36	18·58
37	18·29
38	17·99
39	17·69
40	17·38
41	17·07
42	16·74
43	16·41
44	16·07
45	15·73
46	15·37
47	15·01

* Printed as an accompaniment to this Resolution.

Age next birthday.	Commutation values expressed as years of purchase.
48	14·64
49	14·27
50	13·90
51	13·51
52	13·13
53	12·74
54	12·34
55	11·95
56	11·55
57	11·15
58	10·76
59	10·36
60	9·97
61	9·58
62	9·20
63	8·82
64	8·45
65	8·08
66	7·72
67	7·37
68	7·02
69	6·68
70	6·35
71	6·03
72	5·72
73	5·42
74	5·12
75	4·84
76	4·57
77	4·31
78	4·06
79	3·83
80	3·61
81	3·40
82	3·21
83	3·03
84	2·88
85	2·75
86	2·63
87	2·51
88	2·39
89	2·28
90	2·17
91	2·05
92	1·93
93	1·79
94	1·62

[Government Resolution No. 1007/32, dated 25th April 1947.

[Correction No. , Financial Publication, No. V, 3rd Edition, Volume II, dated 1947.]

SERVICE MATTERS (MISCELLANEOUS).

G. C. No. 6944/33, dated 8th July 1947.

Private employment :

Permission to take — during leave preparatory to retirement.

A question was recently raised whether any restrictions should be imposed on the amount of leave salary of a Government servant who is permitted to accept private employment during leave prepartory to retirement on superannuation. After careful consideration Government has come to the conclusion that no restriction should be placed on the grant of leave on average pay preparatory to such retirement, with permission to accept private employment during the leave, provided that the kind of employment was suitable and that there were no objections on other grounds to the officer taking employment while on leave.

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20. SALES TAX.

G. R. No. 6495/33, dated 30th April 1947.

Bombay Sales Tax Act, 1946 :

Payment of tax, penalty and composition fees:

Procedure in respect of the credit of —.

Under section 12 and Rule 22 of the Bombay Sales Tax Act and Rules, 1946, all payments on account of sales tax, penalty and composition fees are to be credited into a Treasury or a Sub-Treasury in chalan Form No. X (in the form of four folders). The following instructions are issued in this connection to all Treasury Officers and Sub-Treasury Officers for information and guidance :—

(*a*) Of the four parts of the chalan furnished at the treasury by a dealer the first part marked "Original" should be retained by the Treasury Officer, the second part marked "Duplicate" should be sent to the Sales Tax Officer of the area concerned and the remaining two parts marked "Triplicate and Quadruplicate" should be returned to the dealer, duly signed in proof of payment.

(*b*) All the chalans on account of payments under the head "XIII-Other Taxes and Duties—D-Other Items—Sales Tax—Other Commodities" should be numbered serially from one onwards, starting from the first working day of each month.

(*c*) The details of the chalans should be entered in a daily sheet in the accompanying form (Accompaniment* A).

(*d*) A copy of the daily sheet together with the relevant chalans (second part marked "Duplicate") should be forwarded to the Sales Tax Officer concerned as soon as possible. The Sub-Treasury Officers

* The accompaniment has not been printed in the Digest.

should forward their daily sheets with the relevant chalans to the Sales Tax Officers concerned direct instead of through the Treasury Officers.

(*e*) The statement of the amounts credited in the treasury which is required to be sent to the Sales Tax Officer by every Treasury Officer under Rule 25 of the Bombay Sales Tax Rules, 1946, should be sent in the form printed as Accompaniment* B to this Government Resolution.

G. R. No. 6495/33, dated 2nd August 1947.

Bombay Sales Tax Act, 1946:
Charges on account of the— included in the contingent bills.

Departmental officers should furnish a certificate in the following form when a claim on account of Sales Tax is included in bills preferred by them :—

"Certified that the goods on which sales tax has been charged have not been exempted under the Bombay Sales Tax Act, 1946, or the Rules thereunder."

G. R. No. 6513/33, dated 27th August 1947.

Bombay Sales Tax Tribunal:
Constitution of—.

The following tribunal is constituted with effect from 1st September 1947 to exercise the functions conferred on it by or under the Bombay Sales Tax Act, 1946 (Bom. V of 1946) :—

Tribunal:

Divan Bahadur R. M. Bhise, B.A., LL.B., retired District Judge. — *President.*

Mr. J. K. Mehta, M.A., former Secretary, Indian Merchants' Chamber, Bombay. — *Member.*

Mr. P. C. Hansotia, B.Com., G.D.A., F.S.A.A., Incorporated Accountant and Registered Accountant. — *Member.*

2. Diwan Bahadur R. M. Bhise should be allowed to draw an honorarium of Rs. 1,000 per mensem in addition to his pension, and the members an honorarium of Rs. 600 per mensem each.

3. The establishment comprising of 1 Registrar, 1 Stenographer, 2 Clerks, 1 Typist, 3 Peons, is also sanctioned for the office of the Tribunal with effect from 1st September 1947.

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* The accompaniment has not been printed in the Digest.

21. STATE BUDGET PREPARATION, ESTIMATES AND GRANTS, MONEY BILLS, APPROPRIATION BILL AND LAW RELATING TO THE CONSOLIDATED AND CONTINGENCY FUNDS OF THE STATE.

G. R. No. 2613/33, dated 24th June 1947.

Expenditure :

Detailed appropriate audit of —: Adjustment of debits for supplies to other Departments.

Letter from the Accountant General, Bombay, No. T.M. 22/39, dated 11th April 1947 :—

"I have the honour to enclose a copy of the Government of India, Finance Department, Memorandum No. F. 1/(155)-B/46, dated 18th December 1946, forwarded by the Auditor General of India to this office for information. As the instructions contained in the Government of India memorandum have a general bearing on the watching of the progress of expenditure against grants by the controlling authorities I would request Government to consider the desirability of issuing similar instructions for the guidance of the departmental officers in this province."

Government of India, Finance Department, Memorandum No. F. 1/(155)-B/46, dated 18th December 1946 :—

"In paragraph 7 of their Report on the Accounts for 1944-45 (Extract enclosed for ready reference) the Public Accounts Committee commented on the apparent lack of liaison between the receiving departments and the departments arranging the supplies resulting in large lapses of fund due to the non-receipt of debits for supplies, and suggested that if a close liaison between departments is maintained such lapses should be very few. The attention of all departments of the Government of India and of Controlling authorities is drawn to the observations of the Committee on this point. The responsibility of Controlling Officers does not end with including provision for the value of supplies in regulating their grants. They should keep a watch over the receipt of the debits and remind the serving departments if there is any undue delay in receiving them.

"2. Necessary instructions may be issued to all subordinate Controlling Officers."

Extract paragraph 7 of Central Public Accounts Committee Report for 1944-45 :—

"*Debits for supplies and services.*—During our examination of the appropriation accounts we came across a large number of cases in which final savings had been explained as due to the non-receipt of debits for supplies by other departments. In this connection we suggested last year the adoption of the practice of making provisional payments to the supplying departments. We understand that this suggestion has been accepted in the case of supplies made to the Railways, whose accounts close relatively early after the end of the financial year,

and that it has not been considered necessary to adopt it for other departments as their accounts are kept open for some months after the close of the financial year. We do not propose to reopen this question but we are left with the impression that the departments receiving the supplies or services do not maintain sufficiently close liaison with the supplying departments in this matter. While it is the duty of the Supplying Departments to arrange for the prompt raising of debits against the receiving departments, it is in our view equally the duty of the latter, as part of their control of expenditure of the funds placed at their disposal, to remind the serving departments and see that debits are received in time. We feel that if a close liaison is maintained between the supplying and receiving departments, there should be fewer cases of lapses due to non-receipts of debits and we suggest that this should be brought to the notice of all departments."

Copies of the Government of India, Finance Department, Memorandum No. F.1/(155)-B/46, dated 18th December 1946 and extract paragraph 7 of the Central Public Accounts Committee's Report for 1944-45 should be forwarded to all Departments of the Secretariat and all Heads of Offices for information and guidance.

2. The Controlling Officers should keep a watch over the receipts of debits and remind the serving departments *including departments of other Governments* if there is any undue delay in receiving them.

G. C. No. 9705, dated 6th August 1947.

New Items of Expenditure :

Monetary criteria for determining —.

A note on the monetary limits above which new instruments of service should be classed as new items of expenditure was laid before the Public Accounts Committee which met to examine the Appropriation Accounts of the Government of Bombay for the year 1944-45 : (*vide* Appendix-B at page 15 of the Report of the Public Accounts Committee on Appropriation Accounts for 1944-45). The Committee agreed with the monetary limits proposed therein for determining new items of expenditure. Government is pleased to direct that the revised limits (*viz.* Rs. 5,000 or more for recurring item and Rs. 25,000 or more for non-recurring items) laid down in Government Memorandum, Finance Department, No. 9705-G, dated 29th September 1944 should continue to be observed for purposes of the budget. All proposals for new expenditure in respect of the 1948-49 budget should be examined accordingly and forwarded to this Department officially in due course. These limits should also be followed for purposes of the supplementary demands for new items of service to be presented to the Legislative Assembly during the current and subsequent years.

2. The existing limit of Rs. 20,000 for new major works will continue to be in force up to 31st March 1949, as it was sanctioned for a period of 3 years from 1st April 1946.

G. E., F. D., No. 4096/33-G, dated 12th September 1947.

Forwarded copies of the Accountant General's letter No. A.A./55, dated 16th June 1947 to all Departments of the Secretariat for information and guidance. The revised procedure whereby a demand once voted gross should continue to be so voted in future, irrespective of whether the net estimated expenditure is *minus* or *plus*, should take effect from the accounts for 1946-47. It will be necessary to enter both in the Original and Supplementary Schedules of authorised expenditure to be placed before the Legislature, estimates of gross expenditure in respect of the following major heads :—

(1) 63-Extraordinary charges,
(2) 80-Bombay Development Scheme,
(3) 81-A-Capital Outlay on Electricity Schemes,
(4) 83-Payments of commuted value of pensions, and
(5) 85-A-Capital Outlay on Provincial Schemes of State Trading.

The Appropriation Accounts in respect of the above major heads will be prepared by the Accountant General for gross grant and gross expenditure, i.e., without taking into account the receipts accounted for as reduction of expenditure. The receipts will be mentioned by the Accountant General in the notes below the appropriation accounts of respective grants.

Copy of the letter from the Accountant General, Bombay.

No. A.A./55, dated the 16th June 1947.

Subject.—Preparation of the Appropriation Accounts, 1946-47.

I have the honour to forward* herewith copies of the documents noted in the margin on the subject noted above and to point out that in paragraph 2 of his letter dated the 30th April 1947 the Auditor General has decided that a demand once voted gross should continue to be so voted in future irrespective of whether the net estimated expenditure is *minus* or *plus*. He has further stated that this procedure should be adopted in all other similar cases also, e.g. major heads (1) 63-Extraordinary Charges, (2) 80-Bombay Development Scheme, (3) 81-A-Capital Outlay on Electricity Schemes, (4) 83-Payments of Commuted Value of Pensions and (5) 85-A-Capital Outlay on Provincial Schemes connected with the War, 1939. It is, therefore, requested that demands in such cases may in future kindly be obtained for gross expenditure.

(1) This office letter No. A.A. 17, dated the 19th April 1947.

(2) Auditor General's letter No. 118-Rep/K.W.-73-46, dated the 30th April 1947.

(3) This office express letter No. A.A./28, dated the 9th May 1947.

(4) Auditor General's letter No. 149-Rep/73-46, dated the 3rd June 1947.

2. As the new procedure is to take effect from the accounts for 1946-47, the appropriation accounts of the major heads cited above for 1946-47 will be prepared for gross grant and gross expenditure, i.e., without taking

*Not printed.

into account the receipts accounted for as reduction of expenditure. The receipts will be mentioned in the notes below the appropriation accounts of respective grants.

G. C. No. P. 70-G, dated 30th December 1947.

Expenditure on salaries and allowances of Secretary of State's Officers to be treated as 'Voted' from 15th August 1947.

Prior to 15th August 1947, the salaries and allowances of the officers appointed by the Secretary of State were being treated as 'charged' on the revenues of the Province under the provisions of section 247 of the Government of India Act, 1935. That section has since been amended by the India (Provincial Constitution) Order, 1947; and the question whether expenditure in respect of such of these officers as have continued in service after 14th August 1947 should be treated as 'charged' or as subject to the vote of the Legislature, is under the consideration of Government. Pending an authoritative legal ruling in the matter, Government is pleased to direct that expenditure on salaries and allowances of such officers should be treated as 'voted' with effect from 15th August 1947. This would require the surrender of excess 'charged' grants and the making of a corresponding provision in 'voted' grants with effect from 15th August 1947.

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